

### Remarks

Claims 1-7 are pending in this application. Claims 1, 2 and 4 stand rejected under 102(e) by Teper et al. (U.S. Patent No. 5,815,665; hereafter "Teper"). Claims 3 and 5 stand rejected under 103(a) by Teper et al. in view of Aziz (U.S. Patent No. 5,732,137; hereafter "Aziz"). Claims 1 and 5 are amended herewith and new claims 6 and 7 are added. Support for the new claims may be found on pages 4-8 of the Specification. No new matter is added. The prior art rejections are addressed below.

### Rejections under 35 U.S.C. 102

Claims 1, 2 and 4 were rejected under 35 USC 102(e) as being anticipated by Teper et al. These rejections are respectfully traversed.

To anticipate a claim, the reference must teach every element of the claim: "[a] claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). See MPEP 2131. This standard has not been met in the present case for the following reasons.

Regarding claim 1, the present invention is generally directed to a system that offers digital identity to users in a more effective manner to allow them to participate in e-commerce without worrying about privacy and security (page 4 lines 2-4). Claim 1 as amended recites: **"a Central-Entity that provides digital identity to the Users ... and wherein the User does not require use of software received from the Central-Entity or a personal identity card to employ digital identity."** Conversely, Teper et al. discloses a Brokering Service that provides user authentication and billing services wherein the users and Service Providers initially register with the Online Brokering Service, and are then *provided with respective client and software components for using the Brokering Service*. In col. 2 lines 57-62, Teper et al. specifically states that: *"users (consumers) and Service Providers that wish to make use of the Online Brokering service initially register with the Brokering Service, and are in-turn provided with the client and server software components needed to make use of the Brokering Service"* (emphasis added). Column 3 of Teper et al. further outlines the preferred features of such software components. Thus, Teper et al. requires the use of software provided by the Brokering Service to the user and the Service Provider in order for the user to make use of the Brokering Service. Such a requirement, however, poses undesirable burdens to the user. Some of these being that the user may be required to purchase Brokering software at an additional cost - or at least be required to possess their own computer to store the software on. In addition, the users operating system

must be compatible with such software. For example, proprietary software provided to the user in Teper may not be compatible across multiple operating systems (such as Macintosh, UNIX, etc.). Moreover, there remain other drawbacks with requiring software provided by the Brokering Service. If the user wishes to make a purchase while browsing online using another computer that does not have the Brokering software, he would have to take note of the web site or URL and then go and log on to his own computer (or one with the necessary software) and start all over again. Such a situation would be highly inconvenient and would probably cause the user to be less likely to use the service. Thus, the user is limited in his ability to authenticate himself to computers that have the necessary Broker Service software - and wherever those computers are located. Conversely, the digital identity of the present invention does not limit users to perform online transactions over computers with specialized software or a particular Online Broker. As a result, the user is provided with much more flexibility in terms of where and how he can obtain digital identity. For the above reasons, Applicants' submit that independent claim 1, and claims 2 and 4, which depend therefrom, are allowable over the prior art.

With respect to claim 6, the Central Entity corresponds to a Bank or other trusted financial institution (e.g., pages 4-8) that performs authentication of the user based on digital identity. In this aspect, the user does not have to register with yet another separate entity to handle his financial transactions. One advantage of having a Bank or credit card company, for example, to authorize financial transactions and/or perform authentication, is that such transactions may easily be integrated with an existing user account. In addition, the need for yet another intermediary, such as a dedicated Brokering Service is not necessary. In a further advantageous aspect, the digital identity of the present invention does not require Banks or financial institutions to change their existing systems. In this way, almost any financial institution can easily assume the role of Central Entity, and since most users already have accounts with a certain financial institution, the system and method of the present invention can be readily implemented with hardly any modifications to existing systems. In addition, the user is provided with more options and is not limited to a particular Brokering Service or a particular computer with the required software.

For the above reasons, Applicants' submit that claim 6 is allowable over the prior art on its own and because it is dependent from claim 1.

#### Rejections under 35 U.S.C. 103

Claims 3 and 5 were rejected under 35 U.S.C. 103 over Teper et al. in view of Aziz. Because Teper et al. does not anticipate claim 1 as amended, Applicants' submit that claim 3, which depends from claim 1, is also in condition for allowance.

Regarding claim 5, although it is apparent from the originally presented method that the user is not required to receive or use software received from the Central Entity in order to employ the digital identity of the present invention, claim 5 has been amended to more clearly reflect this feature. Claim 5 as amended states that **"the user is not required to use software received from the Central Entity to employ the digital identity."** Conversely, the users and Service Providers of Teper et al. initially register with the Online Brokering Service, and are *provided with respective client and software components for using the Brokering Service*. Teper et al. specifically states that: "users (consumers) and Service Providers that which to make use of the Online Brokering service initially register with the Brokering Service, and are in-turn provided with the client and server software components *needed to make use of the Brokering Service*" (emphasis added). See col. 2 lines 57-62. Thus, unlike the present invention (as discussed above), Teper et al. *requires* the use of software provided by the Brokering Service to the user and the Service Provider in order to make use of the Brokering Service and to perform authentication.

Aziz et al. is generally a secure authentication method to enable an authorized user to login to a server without sending password over the network to that server. For this purpose the user needs to install RSA key in each and every computer he uses. Aziz's authentication method will not work if the user's workstation does not have the user's private RSA key. See col. 2 lines 51-57. (The Examiner is also referred to the detailed description of RSA technology). Since the RSA technology is well known, it will not be described further herein. Additionally, Aziz is not directed toward e-commerce or providing secure financial transactions.

The combination of Teper et al. and Aziz would not result in the present invention since the user (or client) of Aziz is provided with an encrypted password which he decrypts using a private RSA key and then sends the password in *decrypted* form to the destination server for authentication. See col. 2 lines 34-61. Conversely, the user of Teper et al. provides the Service Provider with a cryptographic (or *encrypted*) password which is essentially meaningless to the SP site. The Service Provider then sends the encrypted password as well as a challenge message to the Brokering Service for authentication. See col. 3 lines 5-18. Moreover, Aziz uses Internet Privacy Enhanced Mail (PEM) for authentication whereas Teper et al. uses "challenge-response authentication" protocol such as provided by Windows NT. Thus, the authentication mechanisms of Teper et al. and Aziz are quite different and further wherein providing the Service Provider of Teper et al. with an unencrypted password would defeat the purpose of secure business transactions. For the above reasons, Applicants' submit that neither Teper et al. or Aziz either alone, or in combination, teach or suggest the present invention. Accordingly, Applicants' submit that independent claim 5 is allowable over the prior art.

With respect to claim 7, the Central Entity corresponds to a Bank or other trusted financial institution that performs authentication of the user based on digital identity (see e.g.,

pages 4-8). In this aspect, the user does not have to register with yet another separate entity, such as an Online Broker, to handle his financial transactions. One advantage of having a Bank or credit card company, for example, to authorize financial transactions and/or perform authentication, is that all such transactions may easily be integrated with an existing user account. In addition, the need for yet another intermediary, such as a dedicated Brokering Service is not necessary. In a further advantageous aspect, the digital identity of the present invention does not require Banks or financial institutions to change their existing systems. In this way, almost any financial institution can easily assume the role of Central Entity, and since most users already have accounts with a certain financial institution, the system and method of the present invention can be readily implemented with hardly any modifications to existing systems. In addition, the user is provided with more options and is not limited to a particular Brokering Service or a particular computer having the required software. For the above reasons, Applicants' submit that claim 7 is allowable over the prior art on its own and because it depends from claim 5.

#### Conclusion

Accordingly, Applicants' respectfully request reconsideration of the claim rejections based on the above amendments and remarks. It is believed that a full and complete response has been made to the outstanding Office Action, and as such, the present application is in condition for allowance. If the examiner believes that personal communication will expedite prosecution of this application, the Examiner is invited to telephone the undersigned at (571) 228-2938.

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Respectfully submitted,

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